



# 1H2020 Financial Results Presentation

14 August 2020

COMFORTDELGRO

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# REVIEW OF FINANCIAL RESULTS

# Income Statement

	1H2020	1H2019	Fav/(Adv)
Revenue (\$'m)	1,526.7	1,927.0	(400.3) / (20.8%)
Operating Costs (\$'m)	(1,602.4)	(1,704.6)	102.2 / 6.0%
	(75.7)	222.4	(298.1) / (134.0%)
COVID-19 Government relief (\$'m)	82.3	-	82.3 / NM <sup>1</sup>
Operating Profit (\$'m)	6.6	222.4	(215.8) / (97.0%)
PAT (\$'m)	1.6	173.4	(171.8) / (99.1%)
(L)/PATMI (\$'m)	(6.0)	146.3	(152.3) / NM
EBITDA (\$'m) <sup>2</sup>	246.8	433.6	(186.8) / (43.1%)

- Revenue ↓(\$400.3m) - public transport services ↓(\$181.2m); taxi ↓(\$159.6m); automotive engineering services ↓(\$46.2m)
- Operating costs ↓\$102.2m
  - Public transport services ↓\$56.1m; taxi ↓\$24.2m; automotive engineering services ↓25.9m
  - Includes impairment provisions of \$30.8m on (i) Taxi businesses in Singapore, Australia and Vietnam; and (ii) Driving Centre, Car Rental & Leasing and Inspection & Testing Services businesses in China
- COVID-19 Government relief mainly relates to Jobs Support scheme and waiver of Foreign Worker Levy in Singapore, employee furlough scheme in the UK, partial exemption of social security contribution in China and JobsKeeper scheme in Australia
- Operating profit ↓(\$215.8m) - as a result of the above

<sup>1</sup> NM: Not Meaningful

<sup>2</sup> EBITDA excludes impairment and gain/(loss) on disposal

# Balance Sheet

	Jun 20	Dec 19	Fav/(Adv)
Cash and short-term deposits (\$'m)	619.9	594.2	25.7 / 4.3%
Other current assets (\$'m)	672.9	724.9	(52.0) / (7.2%)
Non-current assets (\$'m)	3,915.1	4,059.9	(144.8) / (3.6%)
<b>Total Assets (\$'m)</b>	<b>5,207.9</b>	<b>5,379.0</b>	<b>(171.1) / (3.2%)</b>
Current liabilities (\$'m)	1,098.4	1,115.8	17.4 / 1.6%
Non-current liabilities (\$'m)	1,230.2	1,254.2	24.0 / 1.9%
<b>Total Liabilities (\$'m)</b>	<b>2,328.6</b>	<b>2,370.0</b>	<b>41.4 / 1.7%</b>
<b>Total Equity (\$'m)</b>	<b>2,879.3</b>	<b>3,009.0</b>	<b>(129.7) / (4.3%)</b>

- Decrease in total assets mainly due to depreciation and amortisation, impairment and lower trade receivables in line with activity levels and strong collections
- Decrease in total liabilities mainly due to lower operating costs and tax provisions
- Decrease in total equity mainly due to 2019 final dividend paid in 1H2020 and net losses for 1H2020

# Cashflow

	1H2020 (\$'m)	
<b>Cash from Operating Activities</b>		<b>240.5</b>
<u>Utilisation of Cash:</u>		
Net CAPEX	(55.5)	
Tax	(23.6)	
Acquisition of subsidiary	(12.2)	
Dividends	(137.4)	
Grants received	30.2	
Others	3.1	
<b>Total Utilisation of Cash</b>		<b>(195.4)</b>
<b>Net Decrease in Borrowings</b>		<b>(19.4)</b>
<b>Net Cash Inflow</b>		<b>25.7</b>

# Group Treasury Status

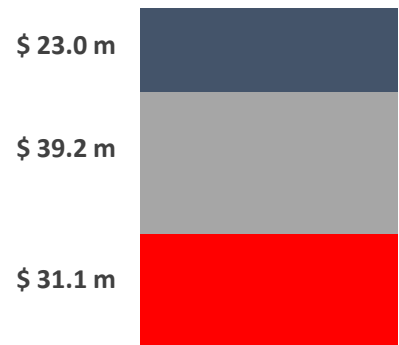
	Jun 20	Dec 19	Fav/(Adv)
<b>Cash and short-term deposits</b>	<b>\$619.9m</b>	<b>\$594.2m</b>	<b>\$25.7m / 4.3%</b>
Borrowings + finance leases	(\$641.8m)	(\$634.2m)	(\$7.6m) / (1.2%)
<b>Net Debt</b>	<b>(\$21.9m)</b>	<b>(\$40.0m)</b>	<b>\$18.1m / 45.3%</b>
Gross Gearing (gross debt / equity)	22.3%	21.1%	(1.2%) points
Net Gearing	0.8%	1.3%	0.5% points
<b>Available facilities</b>	<b>\$697.5m</b>	<b>\$710.6m</b>	<b>(\$13.1m) / (1.8%)</b>

- Net debt position as at 30 Jun 2020 (\$21.9m) vs 31 Dec 2019 (\$40.0m)
- The Group has available facilities of ~\$700m in various currencies

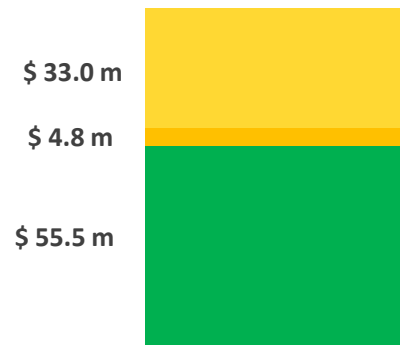


# CAPEX Summary

**1H2020**  
**\$93.3m**

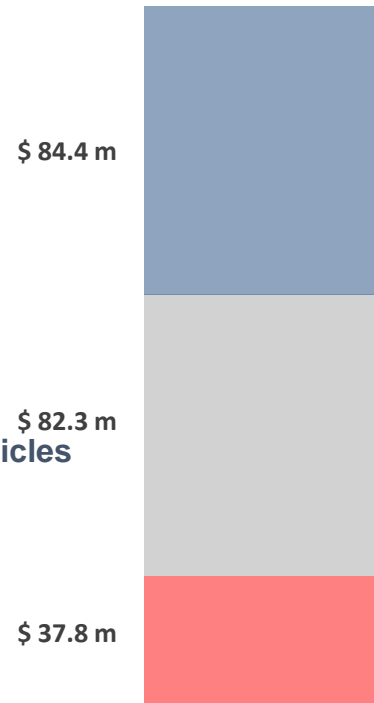


■ Buses   ■ Taxis   ■ Other vehicles, equipment and buildings

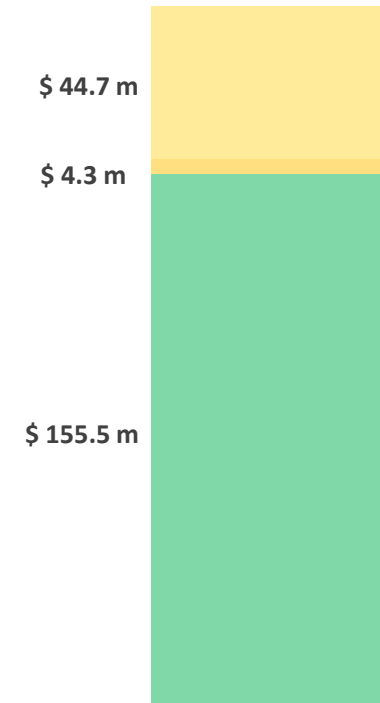


→ Proceeds from disposal of vehicles  
→ Finance lease  
→ Net CAPEX

**1H2019**  
**\$204.5m**



■ Buses   ■ Taxis   ■ Other vehicles, equipment and buildings



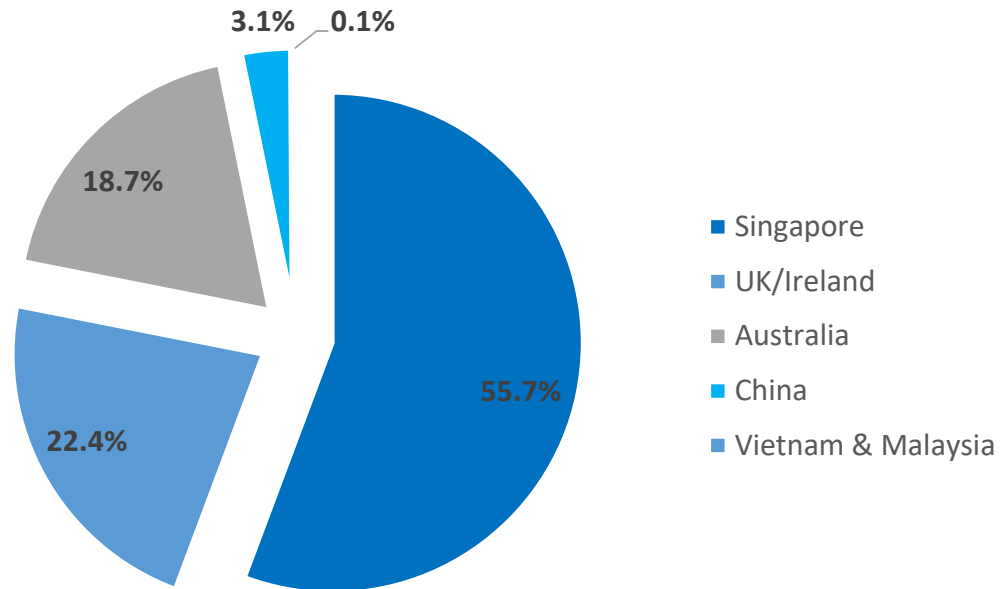
→ Proceeds from disposal of vehicles  
→ Finance lease  
→ Net CAPEX

## No new non-essential capital commitments are being made

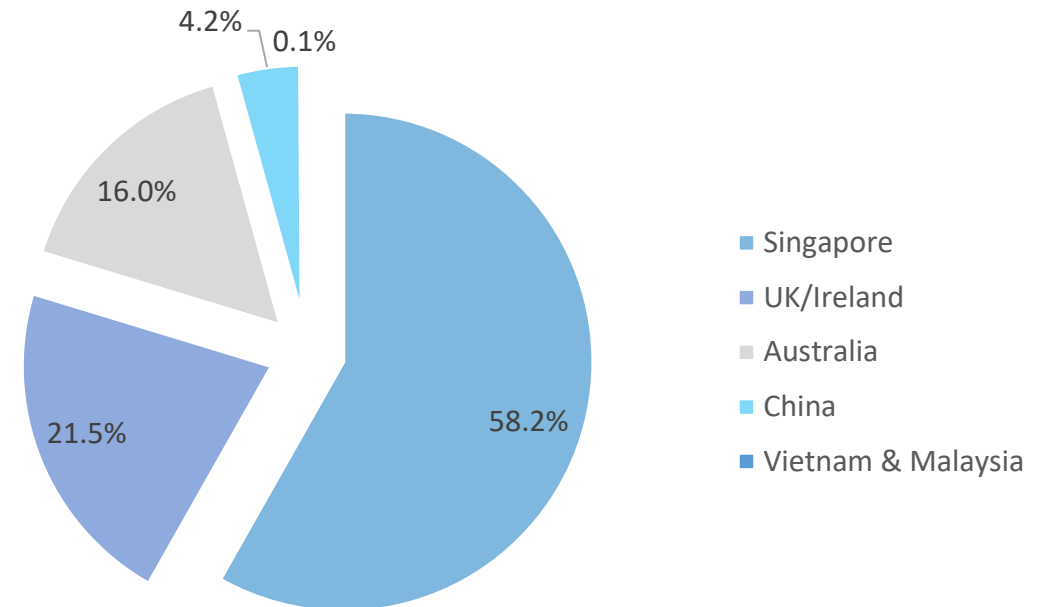
- Taxi – SG taxi fleet renewal and replacement under hybrid vehicle programme committed in 2019 continued
- Buses – purchase of hybrid bus fleet in AU and UK for fleet replacement

# Revenue by Geographical Region

1H2020 Revenue by Geographical Region



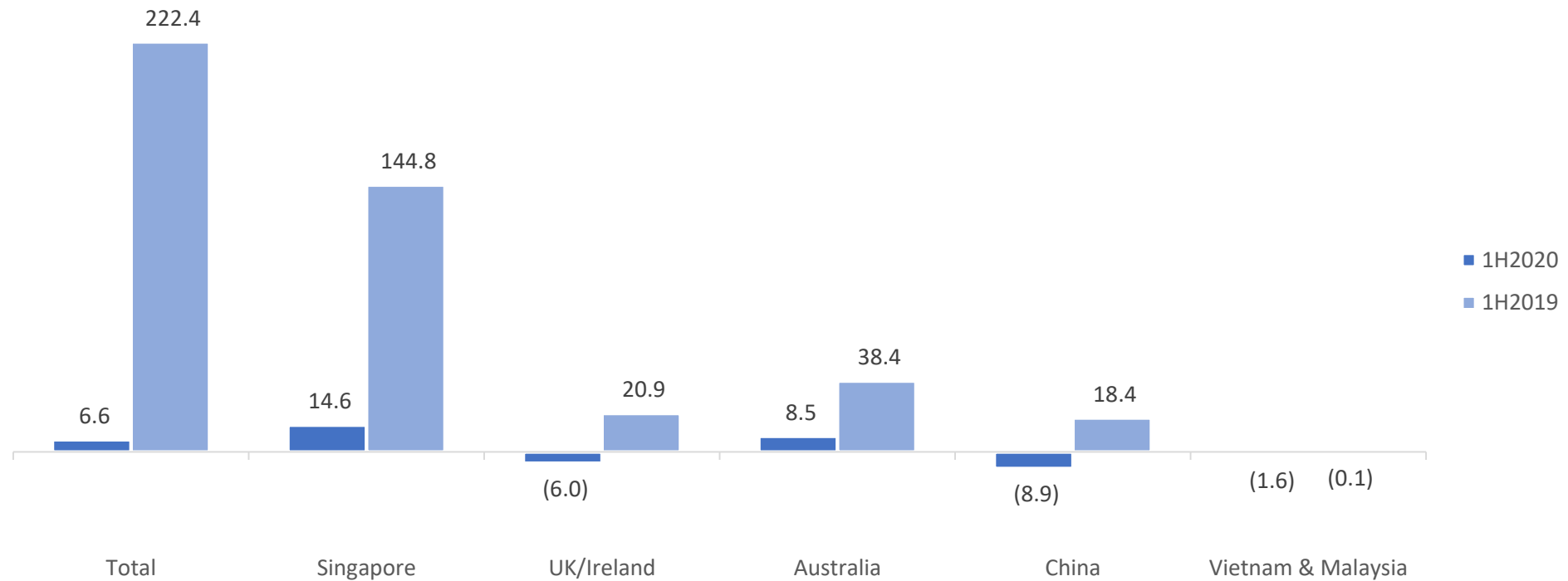
1H2019 Revenue by Geographical Region



- 1H2020 overseas revenue contribution of 44.3% (1H2019 : 41.8%)

# Operating Profit by Region

Operating Profit by Geographical Region (\$'m)

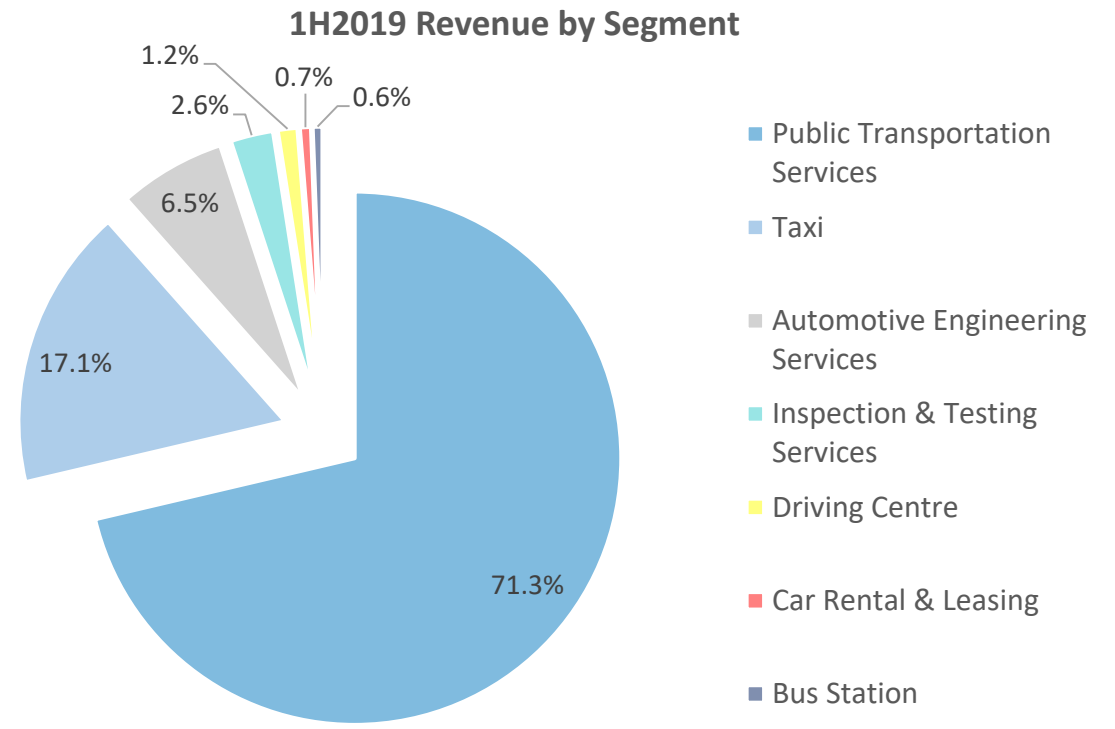
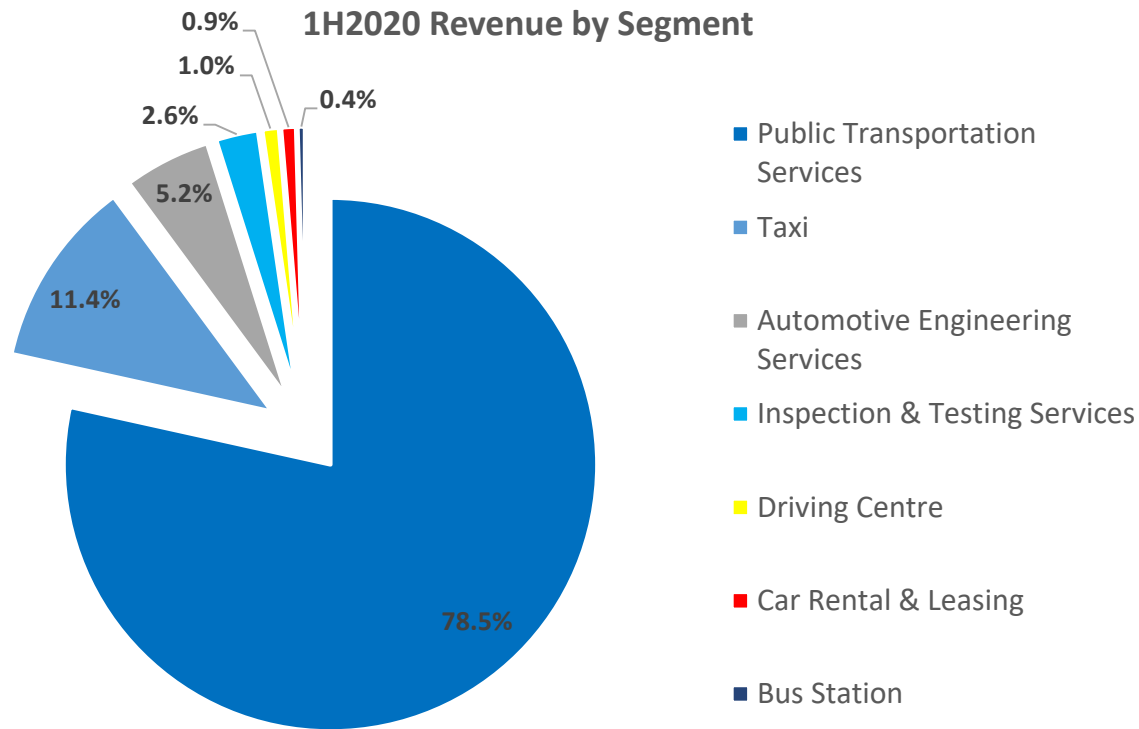


# Financial Summary

- **Public transportation services and taxi down from COVID-19**
  - 1H2020 Group LATMI (\$6.0m)
  - LATMI before government relief of (\$66.1m)
- **Lockdowns in Singapore, Australia, UK and China significantly hurt 1HFY2020 business**
  - Impairments triggered, will continue to monitor and review as conditions develop
  - Current impairment provisions do not consider 2<sup>nd</sup> lockdowns or any significant deterioration of present situation
  - Current levels of Government relief will continue in the short term; long term relief remains to be seen
- **Strong Group Balance Sheet**
  - Small net debt position (\$21.9m)
  - Net gearing 0.8%
- **Group continues to be cash generating**
  - 1H2020 Free Cash Flow \$171.1m
    - EBITDA \$246.8m – net capex (\$55.5m) – tax (\$23.6m) + net interest \$3.4m
- **30 June 2020 cash and available facilities of >\$1.3b**
  - Cash \$0.6b
  - Available facilities \$0.7b
- **No interim dividend declared due to net loss in 1H2020**
  - Final dividend to be reviewed end of FY2020

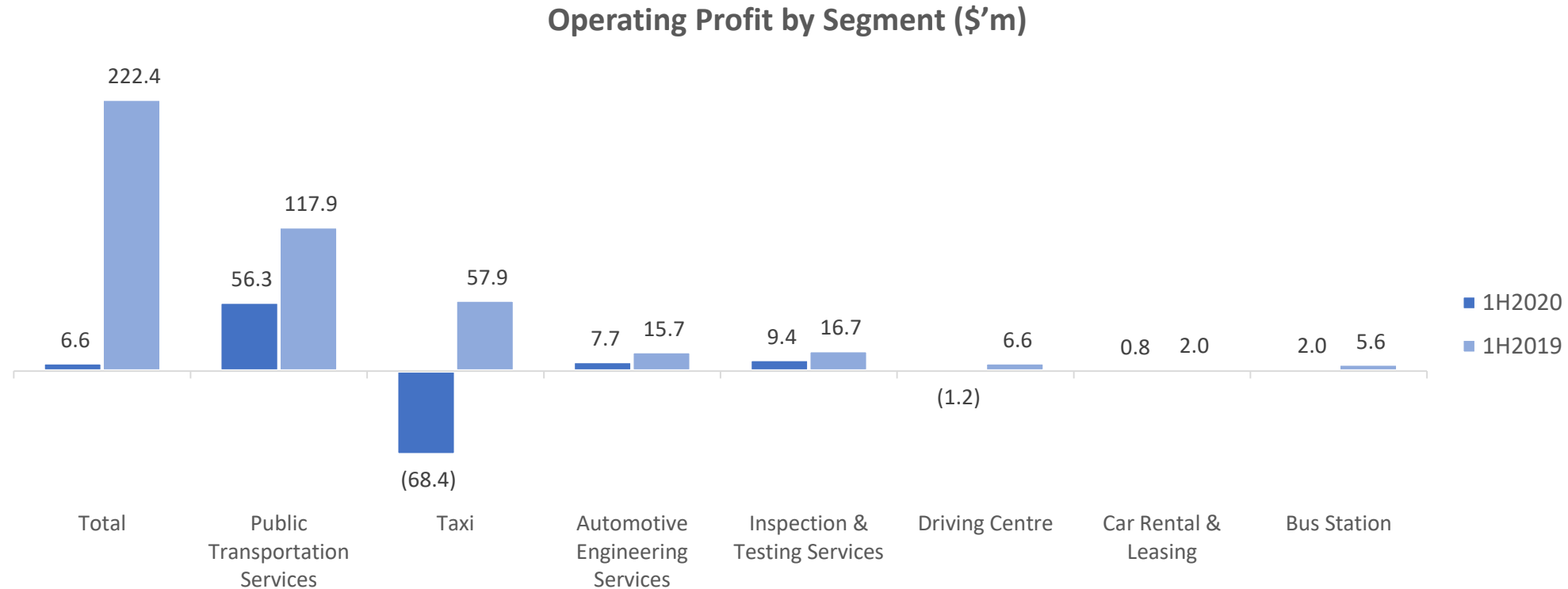
# PERFORMANCE BY BUSINESS SEGMENT

# Revenue by Segment



- Public transportation services % increased due to reducing taxi revenues
- Taxi % decreased mainly due to COVID-19 rental waivers in China and Singapore

# Operating Profit by Segment



- As with revenue, public transport services % increased due to reductions in taxi
- Taxi % decrease mainly due to COVID-19 impact in China and Singapore

# Public Transport Services

- Revenue decreased by (\$181.2m) or (12.9%)
  - Singapore – Ridership and schedules reduced drastically in Singapore during Circuit Breaker (CB) period, slowly recovering during phase 2 re-opening to around ~50% of January levels; lower service fees from fuel indexation
  - UK - weekend schedules running on public bus services, fewer routes compared to 2019
  - Australia – weaker A\$ and some reduction in services due to COVID-19
- COVID-19 Government reliefs helped to partially mitigate lower revenues
- Fuel indexation revenue continues to be impacted by ongoing low oil prices from oversupply

\$'m	1H2020	1H2019
Revenue	1,227.3	1,408.5
Operating Costs	(1,234.3)	(1,290.6)
	(7.0)	117.9
COVID-19 Government relief	63.3	-
Operating Profit	56.3	117.9





# Taxi

- Revenue decreased by (\$159.6m) or (47.2%)
  - Smaller Singapore fleet, also impacted by COVID-19 relief schemes from Feb, including full rental waiver during CB period
  - China taxis rental reduced to virtually rent-free in response to COVID-19 lockdowns
  - UK continues to suffer from COVID-19 measures and Brexit impact on B2B segment persists, B2C/B2P segment landscape remains competitive especially in London
  - Australia faced extremely low demand during lockdown period
- Operating costs optimised but depreciation and maintenance costs are inelastic
- Impairment provisions recognised for Singapore and Vietnam assets and Australia goodwill as ongoing disruption challenges were exacerbated by COVID-19

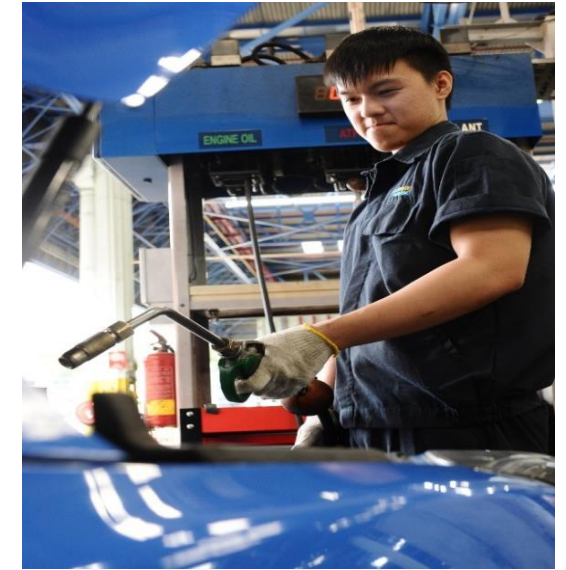
\$'m	1H2020	1H2019
Revenue	178.6	338.2
Operating Costs	(233.3)	(280.3)
	(54.7)	57.9
Impairment	(22.8)	-
	(77.5)	57.9
COVID-19 Government relief	9.1	-
Operating (Loss)/Profit	(68.4)	57.9



# Automotive Engineering Services

- Revenue decreased by (\$46.2m) or (36.0%) mainly due to smaller Singapore taxi fleet
- Operating profit margin softer due to lower business volumes
- Partial closure due to CB period, essential services continue at lower volumes

\$'m	1H2020	1H2019
Revenue	82.1	128.3
Operating Costs	(77.0)	(112.6)
	5.1	15.7
COVID-19 Government relief	2.6	-
Operating Profit	7.7	15.7



# Inspection & Testing Services

- Revenue decreased by (\$11.3m) or (22.1%)
  - Reduction in activity levels during CB period especially for non-vehicle testing
- Impairment provision recognised for goodwill in inspection & testing business in China

\$'m	1H2020	1H2019
Revenue	39.9	51.2
Operating Costs	(32.3)	(34.5)
	7.6	16.7
Impairment	(2.0)	-
	5.6	16.7
COVID-19 Government relief	3.8	-
Operating Profit	9.4	16.7



# Driving Centre

- Revenue decreased by (\$8.0m) or (34.0%) due to full closure during CB period until 22 June as deemed a non-essential service
- Singapore business is recovering after re-opening, but China business continues to remain under pressure
- Impairment provision recognised for driving school assets in Chengdu, China

\$'m	1H2020	1H2019
Revenue	15.5	23.5
Operating Costs	(14.7)	(16.9)
	0.8	6.6
Impairment	(4.8)	-
	(4.0)	6.6
COVID-19 Government relief	2.8	-
Operating (Loss)/Profit	(1.2)	6.6



# Car Rental & Leasing

- Revenue increased y-o-y due to larger fleet size, albeit at lower rental rates
- Operating profit reduced due to rental rate discounts
- COVID-19 continues to impact the rental and leasing business
- For Singapore, potentially significant impact in 2H2020 from
  - Upcoming deregulation / disruption
  - Repatriation cycles of expats for customers
- Impairment provision for China business assets

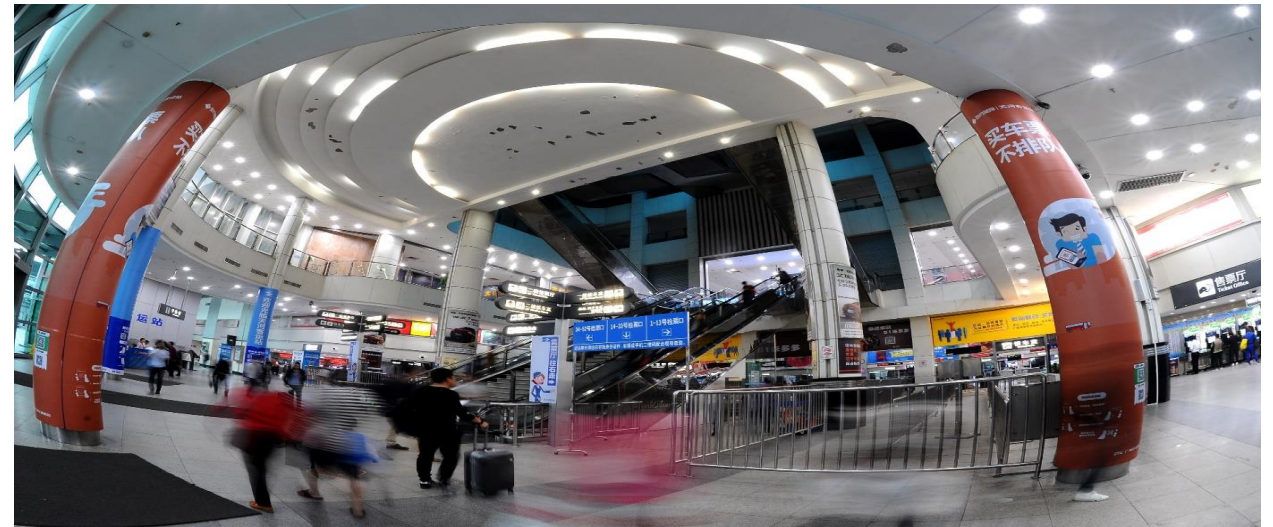
\$'m	1H2020	1H2019
Revenue	13.9	13.3
Operating Costs	(12.2)	(11.3)
	1.7	2.0
Impairment	(1.2)	-
	0.5	-
COVID-19 Government relief	0.3	-
Operating Profit	0.8	2.0



# Bus Station

- Lower CN bus station revenue (\$4.9m) or (41.9%)
  - Much lower activity levels in lockdown conditions
- Operating profit and margin reduced as a result
- Operations re-commenced in 2Q, albeit at lower activity levels due to ongoing travel restrictions

\$'m	1H2020	1H2019
Revenue	6.8	11.7
Operating Costs	(5.2)	(6.1)
	1.6	5.6
COVID-19 Government relief	0.4	-
Operating Profit	2.0	5.6



# DIVIDEND PAYOUT AND SHAREHOLDER RETURN

# Financial Year 2020 Dividend Payout

	FY2020 (cents)	FY2019 (cents)	Increase / (decrease)
Interim Dividend	-	4.50	(4.50) / NM
Dividend payout ratio	NA	66.6%	NM / NM
Dividend yield	NA	3.38% <sup>(a)</sup>	NM / NM

- No interim dividend declared for FY2020 due to net loss in 1H2020 and ongoing COVID-19 uncertainty
- The Company maintains its dividend policy to pay out 50% of PATMI
- 2020 Final dividend will be reviewed at the end of 2H2020



# BUSINESS OUTLOOK

# Business Outlook

- The full economic impact of COVID-19 is still unfolding, the scale and duration of which remains uncertain. Activity levels are recovering slowly during the gradual and cautious reopening post Circuit Breaker period in Singapore and lockdown in UK.
- However, the resurgence of COVID-19 cases, as experienced in some cities in China and Australia recently, that resulted in reinstatement of lockdown measures is likely to recur until a vaccine is available.
- Governments have provided significant temporary relief for the near-term but the sustainability of such reliefs is uncertain.
- The future Global economy post-COVID-19 will be different arising from socio-economic factors such as work from home arrangements and changes to supply chain management, while governments and financial markets focus on rebuilding and recovering from the pandemic.
- With the challenging outlook, revenues are expected to remain depressed and margins under pressure. The Group is monitoring the situation and adapting to the changing circumstances by ensuring its service levels are maintained while refining its internal cost structures and operational efficiencies.
- Notwithstanding the current uncertainties, with a strong balance sheet the Group remains committed to its long term mobility strategy and continues to transform and build its capabilities while looking for growth opportunities in overseas markets.

THANK YOU

# Appendix - Segments

(S\$m)	1H2020 Revenue	1H20219 Revenue	1H2020 Operating Profit / (Loss)	1H2019 Operating Profit
Public Transportation Services	1,227.3	1,408.5	56.3	117.9
Taxi	178.6	338.2	(68.4)	57.9
Automotive Engineering Services	82.1	128.3	7.7	15.7
Inspection & Testing Services	39.9	51.2	9.4	16.7
Driving Centre	15.5	23.5	(1.2)	6.6
Car Rental & Leasing	13.9	13.3	0.8	2.0
Bus Station	6.8	11.7	2.0	5.6
Elimination <sup>1</sup>	(37.4)	(47.7)	-	-
<b>Total</b>	<b>1,526.7</b>	<b>1,927.0</b>	<b>6.6</b>	<b>222.4</b>

1. Elimination of inter-segment services